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CORNHUSKER ECONOMICS

UNIVERSITY OF
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University of Nebraska–Lincoln Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
<http://agecon.unl.edu/cornhuskereconomics>

Attracting New Residents to Rural Nebraska: The Problem with Retention

Market Report	Yr Ago	4 Wks Ago	11/9/12
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	\$126.39	\$124.99	\$123.89
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . .	158.46	163.67	162.60
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . .	151.48	151.17	140.89
Choice Boxed Beef, 600-750 lb. Carcass.	189.92	191.15	193.14
Western Corn Belt Base Hog Price Carcass, Negotiated.	82.24	81.52	77.88
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.	91.19	86.27	85.88
Slaughter Lambs, Ch. & Pr., Heavy, Woolled, South Dakota, Direct.	167.50	89.00	92.63
National Carcass Lamb Cutout, FOB.	411.25	309.56	303.30
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Imperial, bu.	6.22	8.08	8.53
Corn, No. 2, Yellow Nebraska City, bu.	6.44	7.48	7.44
Soybeans, No. 1, Yellow Nebraska City, bu.	11.60	14.38	14.31
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	10.84	12.63	12.57
Oats, No. 2, Heavy Minneapolis, MN , bu.	3.39	4.07	3.79
<u>Feed</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	190.00	237.50	255.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	132.50	215.00	215.00
Grass Hay, Large Rounds, Good Nebraska, ton.	92.50	190.00	212.50
Dried Distillers Grains, 10% Moisture, Nebraska Average.	231.50	272.50	285.25
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	76.00	104.00	107.25
*No Market			

While it is indisputable that the population of many rural areas is declining as a result of out-migration, it is also demonstrably true that people do move to those same rural areas. While in-migrant numbers are generally not sufficient to actually offset population losses, those new residents are critical to maintaining a viable rural labor force. Consequently, many rural communities are engaged in actively recruiting new residents.

The size of new resident populations in rural communities is often surprising, even to the communities themselves. Historically, when the Census has asked residents where they lived five years ago, it was not unusual to find 20 percent or more of the population, in even very rural places, was comprised of relative newcomers. Unfortunately, this question was not asked in the 2010 Census. The topic is, however, routinely addressed in the Nebraska Rural Poll, which annually surveys roughly 3,000 non-metropolitan Nebraska households. The poll's sample is not large enough to allow census-like descriptions of individual communities or counties. However, it does allow for the aggregation of rural communities into five size categories.

According to a five-year average of Rural Poll data (2008-2012), approximately 16 percent of non-metropolitan Nebraskans will typically be found to have lived in their current community for five years or less. This percentage is roughly in keeping with earlier census findings, and ranges from a high of 17.4 percent in communities of 500 to 999 residents, to a low of 14.8 percent in communities with fewer than 500 residents.

The United States Department of Agriculture (USDA) funded research on new rural residents conducted in Nebraska and the Dakotas has identified a number of motivations, both economic and social, that explain the decision to move to a rural community. That research has been encouraging in that it clearly suggests that new



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residents can be successfully recruited. However, those same studies have identified an associated problem with new residents: They may be difficult to retain.

To further explore the issues associated with retaining new rural residents, we have turned to data from the Nebraska Rural Poll for the years 2008 through 2012. The Rural Poll annually asks respondents if they “plan to move” in the coming year. The response options are “yes,” “no” and “uncertain.” The proportion of respondents planning to leave their community has remained relatively stable during 15 years of the poll, ranging between three and six percent.

However, as seen in Figure 1, respondents are much more likely to indicate that they are planning to move if they are new to the community. Depending upon the size of the community in which they currently reside, new residents are two to three times more likely to indicate that they will move in the next year than are those residents who have been in the community for a longer period of time.

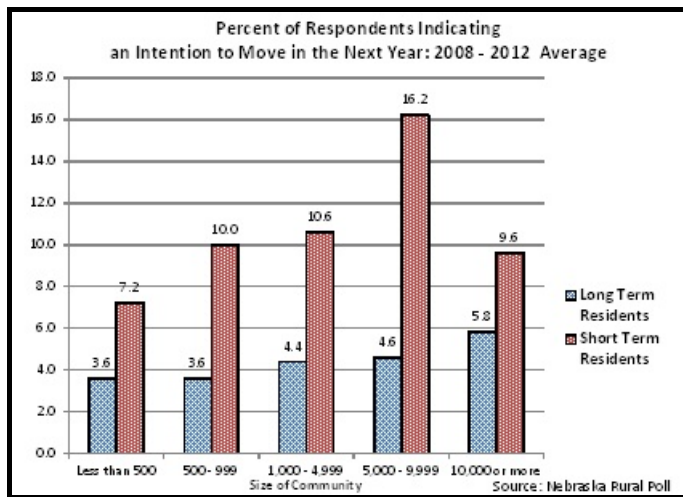


Figure 1.

This may seem completely logical, since longer-term residents are more likely to be invested in their community through home ownership, family and business connections, thus making it more difficult to move away. However, that logic does nothing to mitigate the effect that losing new residents might have on the local labor market. So, having made the decision to move to a community, what motivates the decision to leave it after only a short time in residence?

The logical first option for answering this question is the local economy. As seen in Figure 2, rural residents who indicate an intention to move in the next year are indeed less likely to report being satisfied with their current income and job opportunities, than are respondents who indicate that they have no intention of moving. Both groups report higher levels of satisfaction with jobs and incomes than do respondents who indicate that they are “uncertain” about moving.

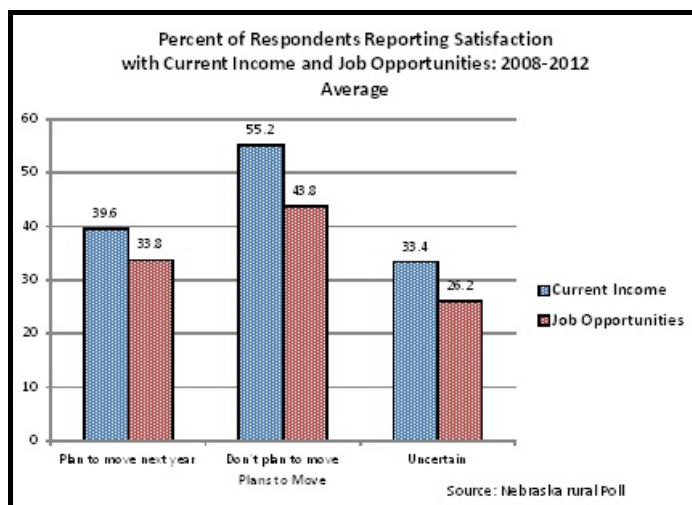


Figure 2.

As a sidebar, it is somewhat disheartening to note that with one exception, a minority of rural residents report being satisfied with their current income or with local job prospects, whether or not they intend to remain in the community. The exception is the 55 percent of Rural Poll respondents who are not planning to move from their community who indicate that they are satisfied with their current income level. Although in fairness, it should be noted that we are reporting survey data from a period of recession.

The simple fact is that plans don’t always work out for people. An individual who moves for or with a job is more likely to see that job fail to meet their expectations than is an individual who has held a position for a number of years. They are more likely than are long-term residents to experience a period of unemployment or under-employment and they are less likely to have developed a local social network that can assist them with an employment transition.

However, it is not the case that all new residents will find themselves to be dissatisfied with the economy in their new community. In fact, when comparing all new residents to all long-term residents with regard to their satisfaction with job opportunities and their current income, the differences are for the most part minimal and mixed. This is demonstrated in the case of satisfaction with job opportunities in Figure 3 (on next page), where new residents in larger rural communities are actually more likely to report that they are satisfied with job opportunities than are long term residents, possibly because they moved to those locations specifically for such opportunities.

So, it appears that economics is an important factor in the decision of some new rural residents to move again, but that negative economic experiences are certainly not the norm for newcomers.

Our research with new residents has indicated that negative social experiences are also a factor. As seen in Figure 4 (on next page), Rural Poll respondents who indicate that they plan to move in the next year or are un-

decided about such a move are more likely to rate their current community as unfriendly, distrusting and hostile, than are respondents who have no intention of moving.

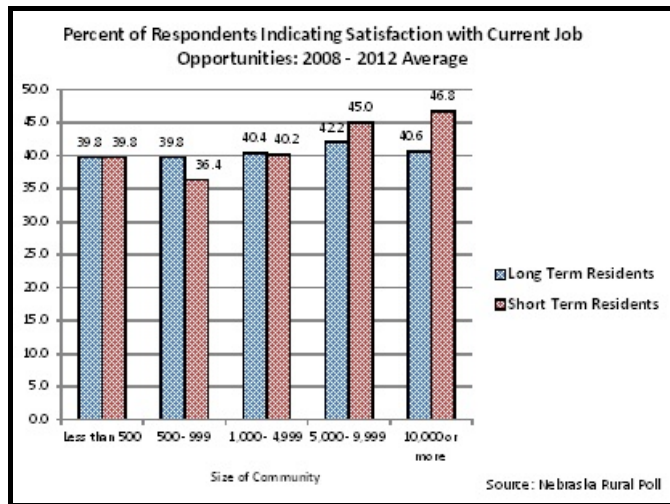


Figure 3.

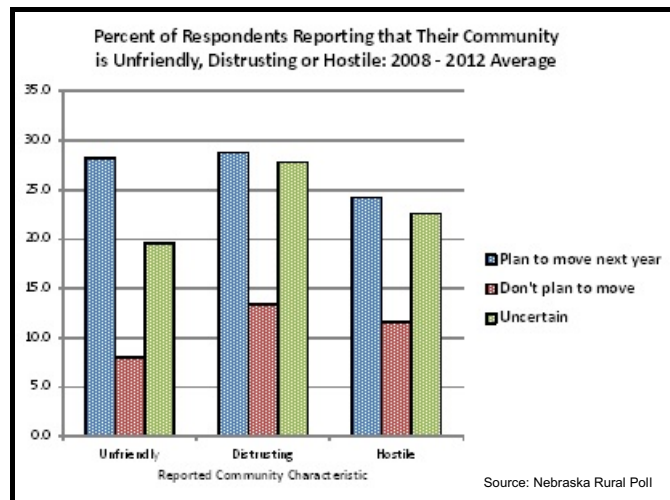


Figure 4.

In surveys and focus groups, dissatisfied rural newcomers have tended to summarize their experience with the statement “I don’t fit in here.” In focus groups, where we have the opportunity to probe for more detail, we have found “fitting in” to be a complex concept. Individuals who move to a community hoping to become involved in civic life will find that they don’t fit in if the opportunities to be involved don’t materialize. Others will indicate that they did not find the level of interaction with neighbors that they had imagined would characterize a rural community. Others feel that the positions of leadership and influence that they held in previous locations is not recognized or unlikely to be replicated. The latter point may be a result of individual hubris or of the simple fact that new social networks in even rural communities can be difficult to establish. Fitting in is not automatic, even in very small places. It requires effort, a sponsor or both.

Seeking a cause for dissatisfaction with one’s community raises a number of questions. Does an individual’s failure to achieve their economic expectations spill over into their assessment of the entire community? Does the lack of local social bonds limit economic success? Do individuals who sense that they may need to move in order to realize their aspirations find that decision easier to make if they can identify multiple aspects of the community to dislike, much like a child leaving home may become especially negative ahead of that move? We lack the data to address those questions. Still, what we do know can be instructive for rural leaders concerned about population and labor force issues.

For rural communities that are actively attempting to recruit new residents, the takeaway point here is that recruitment, even when successful, is not the entire story.

To be sure, there is not much that a community can do about a job that doesn’t pan out or an income that doesn’t go as far as expected. On the other hand, communities may be able to do something about helping a new resident build a social network that will be supportive through the transitions involved in moving. An active involvement with new residents can even help to mitigate disappointments when the life that newcomers have imagined doesn’t exactly match the reality of their experience.

We are describing something here that is more than a Welcome Wagon visit. Leaders in new resident recruitment will seek to meet their new community members, learn about their individual skills and interests and introduce them to those who share those interests or require those skills. In short, they will help the newcomers to “fit in.”

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THANKSGIVING HOLIDAY

